GOVERNMENT OF INDIA
DISINVESTMENT
LOK SABHA

UNSTARRED QUESTION NO:3819
ANSWERED ON:17.08.2001
APPOINTMENT OF PRIVATE AGENCY SOBHAGYA
SUBODH MOHITE

Will the Minister of DISINVESTMENT be pleased to state:

(a) whether the Government have appointed a private agency named `Sobhagya` to develop a communication strategy and handle the disinvestment of the Videsh Sanchar Nigam Limited (VSNL);

(b) if so, the details of the agreement made with the company;

(c)whether the employees of VSNL are on agitation against disinvestment of VSNL;

(d) if so, details thereof and along with the demands of the employees; and

(e) the reaction of the Government thereto?

Answer

MINISTER OF STATE (INDEPENDENT CHARGE) OF THE DEPARTMENT OF DISINVESTMENT, MINISTER OF STATE MINISTRIES OF PLANNING, STATISTICS & PROGRAMME IMPLEMENTATION AND MINISTER OF STATE IN THE DEPARTMENT OF ADMINISTRATIVE REFORMS AND PUBLIC GRIEVANCES (SHRI ARUN SHOURIE)

(a) &(b) Sobhagya Advertising Services, Mumbai, has been appointedin June,2001 with a scope of work, inter-alia, including development of a communications strategy to address the concerns of various stakeholders arising from the disinvestment process ; ensuring effective communication of the highlights of VSNL and its value drivers to potential investors via substantial positive news flow with a view to building up strong investor interest for the disinvestment etc.

(c) &(d) Yes, Sir. The VSNL employees have held some demonstrations in support of their demands which inter-alia include job security and protection of service conditions, protection of existing wages, allowances and perks, continuation of pension, family pension and medical facilities to the retired and retiring employees, allotment of shares at par with no lock-in period, compensation to the Overseas Communication Services(OCS) employees withless than ten years at the time of absorption in VSNL before the transfer of management of VSNL takes place, waiver of the Income Tax charged on the impounded retirement benefits of those absorbed in VSNL as the amount was impounded by the Government for seven years at the interest rate applicable to the General Provident Fund, retention of the existing full time Directors of VSNL and continuation of the constitutional guarantee applicable to the employees even after privatization.

(e) Government have held discussions, at various levels, with the representatives of the employees of VSNL. The genuine concerns connected with disinvestment would, as far as possible, be taken care of through the provisions of the Shareholders` Agreement.